maintain a risk committee that approves and periodically reviews the risk-management policies of its global operations and oversees the operation of its global risk-management framework.

(b) *Risk-management framework*. The bank holding company's global risk-management framework must be commensurate with its structure, risk profile, complexity, activities, and size and must include:

(1) Policies and procedures establishing risk-management governance, risk-management procedures, and risk-control infrastructure for its global operations; and

(2) Processes and systems for implementing and monitoring compliance with such policies and procedures, including:

(i) Processes and systems for identifying and reporting risks and risk-management deficiencies, including regarding emerging risks, and ensuring effective and timely implementation of actions to address emerging risks and risk-management deficiencies for its global operations;

(ii) Processes and systems for establishing managerial and employee responsibility for risk management;

(iii) Processes and systems for ensuring the independence of the risk-management function; and

(iv) Processes and systems to integrate risk management and associated controls with management goals and its compensation structure for its global operations.

(c) *Corporate governance requirements*. The risk committee must:

(1) Have a formal, written charter that is approved by the bank holding company's board of directors.

(2) Meet at least quarterly, and otherwise as needed, and fully document and maintain records of its proceedings, including risk-management decisions.

(d) *Minimum member requirements*. The risk committee must:

(1) Include at least one member having experience in identifying, assessing, and managing risk exposures of large, complex firms; and

(2) Be chaired by a director who:

(i) Is not an officer or employee of the bank holding company and has not been an officer or employee of the bank holding company during the previous three years;

(ii) Is not a member of the immediate family, as defined in section 225.41(b)(3) of the Board's Regulation Y (12 CFR 225.41(b)(3)), of a person who is, or has been within the last three years, an executive officer of the bank holding company, as defined in section 215.2(e)(1) of the Board's Regulation O (12 CFR 215.2(e)(1)); and

(iii)(A) Is an independent director under Item 407 of the Securities and Exchange Commission's Regulation S–K (17 CFR 229.407(a)), if the bank holding company has an outstanding class of securities traded on an exchange registered with the U.S. Securities and Exchange Commission as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) (national securities exchange); or

(B) Would qualify as an independent director under the listing standards of a national securities exchange, as demonstrated to the satisfaction of the Board, if the bank holding company does not have an outstanding class of securities traded on a national securities exchange.

Subpart D—Enhanced Prudential Standards for Bank Holding Companies With Total Consolidated Assets of $50 Billion or More

SOURCE: Reg. YY, 79 FR 17317, Mar. 27, 2014, unless otherwise noted.

§ 252.30 Scope.

This subpart applies to bank holding companies with total consolidated assets of $50 billion or more. Total consolidated assets of a bank holding company are equal to the consolidated assets of the bank holding company, as calculated in accordance with § 252.31(b).

§ 252.31 Applicability.

(a) *General applicability*. Subject to the initial applicability provisions of paragraphs (c) and (e) of this section, a bank holding company must comply with the risk-management and risk-committee requirements set forth in §252.33 and the liquidity risk-management and liquidity stress test requirements set forth in §§252.34 and 252.35 beginning on the first day of the fifth quarter following the date on which its total consolidated assets equal or exceed $50 billion.

(b) *Total consolidated assets.* Total consolidated assets of a bank holding company for purposes of this subpart are equal to its consolidated assets, calculated based on the average of the bank holding company's total consolidated assets in the four most recent quarters as reported quarterly on the FR Y–9C. If the bank holding company has not filed the FR Y–9C for each of the four most recent consecutive quarters, total consolidated assets means the average of its total consolidated assets, as reported on the FR Y–9C, for the most recent quarter or consecutive quarters, as applicable. Total consolidated assets are measured on the as-of date of the most recent FR Y–9C used in the calculation of the average.

(c) *Initial applicability.* A bank holding company that, as of June 30, 2014, has total consolidated assets of $50 billion or more, as calculated according to paragraph (b) of this section, must comply with the risk-management and risk-committee requirements set forth in §252.33 and the liquidity risk-management and liquidity stress test requirements set forth in §§252.34 and 252.35, beginning on January 1, 2015.

(d) *Cessation of requirements.* Except as provided in paragraph (e) of this section, a bank holding company is subject to the risk-management and risk committee requirements set forth in §252.33 and the liquidity risk-management and liquidity stress test requirements set forth in §§252.34 and 252.35 until its reported total consolidated assets on the FR Y–9C are below $50 billion for each of four consecutive calendar quarters.

(e) *Applicability for bank holding companies that are subsidiaries of foreign banking organizations.* In the event that a bank holding company that has total consolidated assets of $50 billion or more is controlled by a foreign banking organization, such bank holding company is subject to the risk-management and risk committee requirements set forth in §252.33 and the liquidity risk-management and liquidity stress test requirements set forth in §§252.34 and 252.35 beginning on January 1, 2015 and ending on June 30, 2016. Beginning on July 1, 2016, the U.S. intermediate holding company established or designated by the foreign banking organization must comply with the risk-management and risk committee requirements set forth in §252.153(e)(3) and the liquidity risk-management and liquidity stress test requirements set forth in §252.153(e)(4).

§ 252.32 Risk-based and leverage capital and stress test requirements.

A bank holding company with total consolidated assets of $50 billion or more must comply with, and hold capital commensurate with the requirements of, any regulations adopted by the Board relating to capital planning and stress tests, in accordance with the applicability provisions set forth therein.

§ 252.33 Risk-management and risk committee requirements.

(a) *Risk committee*—(1) *General.* A bank holding company with total consolidated assets of $50 billion or more must maintain a risk committee that approves and periodically reviews the risk-management policies of the bank holding company's global operations and oversees the operation of the bank holding company's global risk-management framework. The risk committee's responsibilities include liquidity risk-management as set forth in §252.34(b).

(2) *Risk-management framework.* The bank holding company's global risk-management framework must be commensurate with its structure, risk profile, complexity, activities, and size and must include:

(i) Policies and procedures establishing risk-management governance, risk-management procedures, and risk-control infrastructure for its global operations; and

(ii) Processes and systems for implementing and monitoring compliance with such policies and procedures, including: